

Darren Millar AM
Chair
Public Accounts Committee
National Assembly for Wales
Cardiff Bay
CF99 1NA



Llywodraeth Cymru
Welsh Government

19 October 2015

Dear Mr Millar,

Thank you for your letter to James Price dated 21 September. I am responding on his behalf. Set out below is further clarification on the points that you have raised.

In relation to Recommendation 3, you asked about the specific proportion of Water Framework Directive Failures that could be attributed to land managed by Natural Resources Wales (NRW).

It is extremely difficult to determine exactly how many failures by water bodies to achieve good status under the Water Framework Directive can be attributed directly to land managed by NRW.

There is a mixed tapestry of land ownership in the catchments affecting the failing water bodies. As a consequence, both private and public land owners have their part to play in resolving the issues.

NRW has undertaken work to both understand and propose remediation of the causes of failures. As these solutions are rolled out we and NRW are also engaging with the private forest sector and others to share the evidence and solutions.

You also requested sight of the updated River Basin Management Plans (RBMPs) once they have been approved by the Welsh Government and published later this year.

River Basin Management Plans are due to be published by the end of this year and copies will be made available to the Committee.

These plans will give more detail on all the water bodies and catchments and what measures we and NRW propose to take.



In relation to Recommendation 6, you asked for further detail on how the rationalisation of inspections by Rural Payments Wales (RPW) and NRW will work in practice. You also requested detail on how contracts will be effectively monitored if the number of inspection visits is reduced.

The number of inspections and the selection methodology for Common Agricultural Policy (CAP) payments are set out in European Commission Regulations. The selection of farms for inspection is undertaken by RPW, as the designated Paying Agency, to meet the minimum regulatory requirements. There is no direct NRW involvement in the inspections unless an RPW visit identifies the need for specific or specialist support e.g. an environmental breach is identified. This is the existing arrangement in place.

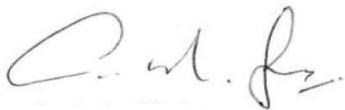
RPW and NRW will continue to work together with a view to reducing the inspection burdens on farmers and maximising efficiencies. NRW is also a key member of the Welsh Government's CAP Programme Board that gives full consideration to these matters, as well as sharing best practice and ensuring good governance.

CAP Control requirements are laid down in EU regulation 1306/2013 (overarching), EU Regulation 1307/2013 (direct payments – BPS) and EU Regulations 1305/2013 (Rural Development), plus several underlying Commission Delegated or Implementing Regulations. These set out all the rules that must be followed including administrative controls and risk selection, which form part of the Integrated and Administrative Control System (IACS).

All contracts are subject to comprehensive administrative controls which are fully undertaken before payment, regardless of whether the case is subject to a physical inspection. All farmers who hold area-based rural development contracts are required to make annual declarations regarding their land and land use to ensure they are satisfying their contractual obligations. These declarations are fed into our Integrated Administrative Controls System (IACS) and systematically checked against all other farmer declarations as well as validated against our Land Parcel Identification System (LPIS) that contains over 1.4m hectares of agricultural land in Wales. Any failure to meet contractual conditions will result in payment reductions and penalties.

Please do not hesitate to contact me if you require anything further.

Yours sincerely



ANDREW SLADE

Director

Agriculture, Food and Marine